BRITISH COLUMBIA

BC STATS

ServiceBC
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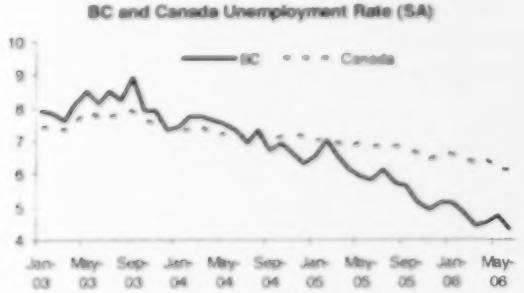
Current Statistics ◆ July 2006

- **British Columbia's population climbed 0.30% from the fourth quarter of 2005 to the first quarter of 2006, reaching 4,292,166 on April 1st.** Net international migration was the largest source of new residents, with 10,199 more people entering the province from other countries than there were people emigrating to other international destinations. There was also a net inflow of people from other provinces, reversing the situation in the fourth quarter when there was a net interprovincial outflow. The gain from other provinces was modest (+654) as net inflows from most provinces were largely offset by a net outflow of 2,362 people to Alberta. There were also marginal net outflows to Nova Scotia (-5) and Nunavut (-2), but BC gained population from every other province and territory. The largest gains were from Ontario (+1,403) and Manitoba (+671).

  Data Source: Statistics Canada

- **British Columbia's unemployment rate dropped 0.4 percentage points to a new record low of 4.3% (*seasonally adjusted*) in June.** The improvement in the jobless rate came as the labour force shrank (-0.6%) between May and June and the number of jobs remained relatively unchanged (-0.1%, or a net loss of 1,800 jobs).



Alberta (3.5%) and Manitoba (3.6%) continued to be the only provinces with a lower incidence of unemployment than BC. Jobless rates in the rest of the country ranged from 4.9% in Saskatchewan to 14.8% in Newfoundland. The Canadian unemployment rate held steady at 6.1%, as the number of jobs was virtually unchanged and the number of people either employed or looking for work shrank by a mere 0.1%.

Data Source: Statistics Canada

- **The value of building permits issued by BC municipalities rose 16.1% (*seasonally adjusted*) in May, following a 27.8% downturn in April.** The increase was due to planned activity in the non-residential sector (+61.7%), while residential permits were down (-1.8%) slightly. Permits for institutional & government buildings more than tripled (+216.8%), with less substantial increases in the value of permits issued for commercial (+20.9%) and industrial buildings (+20.5%) projects.

  Although permits were up in May, the increase was localized in the Vancouver area, where building intentions jumped 25.2%. Both Victoria (-9.6%) and Abbotsford (-31.2%) posted significant declines, while Vancouver accounted for more than fifty percent of the total value of building permits issued in May.

  Canadian permits were up 6.9%, as increased activity in the more populous provinces, such as Ontario (+5.4%), Quebec (+3.8%), Alberta (+3.3%) and BC offset slowdowns in other parts of the country. The value of permits issued in Canada's non-residential sector jumped 18.1% in May while permits for residential projects inched up (+0.7%).

  Data Source: Statistics Canada

- **Compared to the same period last year, the value of building permits issued by BC municipalities was up 11.9% during the first five months of 2006, with increased activity in every region except Nechako (-3.7%).** In the

rest of the province, increases in the value of permits ranged from 3.2% in Thompson/Okanagan to 93.9% in North Coast, where residential, industrial and commercial building permits were up significantly from last year. *Data Source: Statistics Canada & BC Stats*

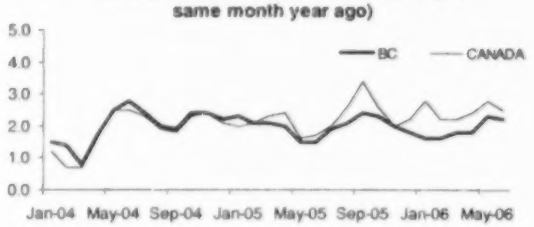
- **The value of BC origin exports slipped 3.0% in May (*seasonally adjusted*) due primarily to declines in shipments of energy products (-13.4%).** Exports of machinery, equipment and automobiles (-7.2%) were also down, while forestry products remained relatively flat (+0.2%). Agriculture and fish (+4.3%) and industrial & consumer (+3.7%) products were the only major commodity groups to show notable increases in export value.

  Exports to the United States dropped 4.3% as shipments of every major commodity except machinery, equipment and automobiles (+1.3%) fell. Energy shipments south of the border showed continued volatility, dropping 18.0% following a 16.7% increase in April. Agriculture & fish products (-0.4%), forestry products (-1.1%) and industrial and consumer goods (-1.4%) were all lower in May. International exports to countries other than the US were also down (-0.6%), reflecting significant declines in shipments of machinery, equipment and automobiles (-31.3%) and energy (-6.6%). *Data Source: Statistics Canada*

- **Shipments of goods produced by British Columbia manufacturers bounced back 0.9% (*seasonally adjusted*) in May after slumping 2.3% a month earlier.** A 4.0% rise in shipments of non-durable goods spurred the increase as manufacturers of durable goods saw a 1.1% drop in shipments. Paper manufacturers were the main contributors to the growth in non-durables with a 14.8% jump in shipments, recovering from an identical 14.8% drop a month earlier. There were some bright spots in durables as well, such as computer and electronic (+9.1%) product industries, but wood product manufacturers, the largest durable goods manufacturing industry in the province, offset growth elsewhere with a 4.5% slump. *Data Source: Statistics Canada*

- **British Columbia's year-over-year inflation rose 2.2% in June, on the heels of a similar increase in May (+2.3%).** The increasingly higher cost of energy (+10.8%) sustained its effect on the all-items Consumer Price Index (CPI). Excluding energy, prices for most goods and services rose at a relatively moderate 1.3%. The continued rise in energy and gasoline (+18.0%) prices helped drive transportation costs up 6.5%. The cost of food (+1.0%) was moderately higher in June as consumers paid more to eat at restaurants (+2.0%) and for food purchased from stores (+0.6%). The increased cost of shelter (+2.2%) had consumers digging deeper into their wallets as property taxes (+6.3%), home owners' insurance premiums (+4.7%), water (+9.1%) and fuel oil (+14.9%) were all more costly than in the same month last year. However, consumers did pay less for household furnishings (-2.2%) and equipment (-2.6%).

BC and Canada Inflation Trend (% change, same month year ago)



- **Wholesale sales in the province continued to see-saw in May, rising 2.5% (*seasonally adjusted*), following a downturn (-2.0%) in the previous month.** Total Canadian sales rebounded (+0.9%) from the weaker April levels, with over half of the increase attributable to sales in the automotive sector. Although sales were down in Quebec (-0.3%), they rose in most other provinces, led by PEI (+9.3%) and Newfoundland and Labrador (+4.1%)–the only provinces where wholesale sales grew faster than in BC. *Data Source: Statistics Canada*

MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM LAST MONTH	% CHANGE FROM YEAR AGO	AMOUNT	% CHANGE FROM YEAR AGO
PRICES							
Consumer Price Index-BC	1992=100	Jun '06	128.1	0.0	2.2	126.8	1.9
Consumer Price Index-Vancouver	1992=100	Jun '06	128.5	-0.1	2.1	127.3	1.7
Consumer Price Index-Victoria	1992=100	Jun '06	128.0	-0.2	1.9	127.0	1.9
Consumer Price Index-Canada	1992=100	Jun '06	130.4	-0.2	2.5	129.6	2.5
Consumer Price Index-USA	1982-84=100	Jun '06	202.9	0.2	4.3	200.6	3.8
Industry Price Index-Canada	1997=100	May '06	114.2	0.3	2.5	112.8	1.8
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Jun '06	4.3	(4.7)	(5.8)	4.6	(6.3)
Unemployment Rate (SA)-Canada	Percent	Jun '06	6.1	(6.1)	(6.8)	6.3	(6.9)
Unemployment Rate (SA)-USA	Percent	Jun '06	4.6	(4.6)	(5.0)	4.7	(5.2)
Unemployed (SA)-BC	Thousand	Jun '06	97.3	-10.2	-26.1	106.2	-25.3
Employed (SA)-BC	Thousand	Jun '06	2,191.8	-0.1	3.2	2,185.0	3.4
Labour Force (SA)-BC	Thousand	Jun '06	2,289.1	-0.6	1.5	2,291.2	1.6
Participation Rate (SA)-BC	Percent	Jun '06	65.2	(65.7)	(65.5)	65.5	(65.8)
Regular EI Benefits Paid	$Million	May '06	57.4	-14.3	-26.1	70.6	-15.5
Regular EI Beneficiaries	Persons	May '06	41,340	-10.7	-19.3	51,650	-17.4
Average Weekly Wage Rate-BC	Dollars	Jun '06	722.67	0.1	3.1	720.10	2.6
Wages and Salaries-BC (SA)	$Million	Mar '06	6,476.8	0.2	7.3	6,455.3	7.7
Fixed-Weighted Earnings Index-BC	1996=100	Apr '06	118.5	1.5	2.1	117.7	2.7
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	May '06	3,357.8	-8.6	2.7	3,620.2	3.9
Market Pulp Shipments-Tonnes	Thousand	May '06	380	-2.8	-1.6	401	3.5
Newsprint Shipments-Tonnes	Thousand	May '06	85	0.0	1.2	89	-0.9
Other Paper Shipments-Tonnes	Thousand	May '06	175	15.9	19.0	161	5.9
Oil-Cubic Metres	Thousand	Mar '06	136.9	6.7	-14.5	134.8	-12.0
Natural Gas-Cubic Metres	Million	Dec '05	2,737.8	2.8	5.0	2,669.8	2.7
Electric Power Generated	GW.h	Apr '06	4,620.5	-13.0	-4.1	5,151.8	-5.1
Manufacturing Shipments (SA)	$Million	May '06	3,769.0	0.9	4.0	3,795.1	5.8
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Jun '06	34.5	13.1	10.9	37.3	16.4
Housing Starts-USA (SAAR)**	Thousand	Jun '06	1,850.0	-5.3	-11.0	2,001.0	-3.2
Building Permits-BC (SA)	$Million	May '06	961.0	16.1	20.3	909.9	13.2
Residential-BC (SA)	$Million	May '06	582.6	-1.8	10.5	597.2	11.9
Non-Residential-BC (SA)	$Million	May '06	378.4	61.7	39.4	312.7	15.9
Retail Sales (NAICS) (SA)-BC	$Million	May '06	4,491.0	1.3	8.5	4,388.3	7.4
Wholesale Trade (NAICS) (SA)-BC	$Million	May '06	4,263.3	2.5	7.5	4,221.1	10.2
Tourism Room Revenues (SA)-BC	$Thousand	Mar '06	143,841	2.2	5.7	142,703	4.7
Business Bankruptcies-BC	Number	May '06	58	9.4	-24.7	60	-11.0
Consumer Bankruptcies-BC	Number	May '06	632	4.1	-14.5	636	-13.6
Incorporations-BC	Number	Jun '06	2,715	-5.1	5.1	2,657	11.5
Exports Originating in BC (SA)	$Million	May '06	2,683.4	-3.0	-2.3	2,831.4	5.3

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*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

ANNUAL STATISTICS

	UNITS	YEAR			PERCENT CHANGE	
		2005	2004	2003	2004-2005	2003-2004
PRICES						
Consumer Price Index-BC	1992=100	125.3	122.8	120.4	2.0	2.0
Consumer Price Index-Vancouver	1992=100	125.7	123.4	121.0	1.9	2.0
Consumer Price Index-Victoria	1992=100	125.5	122.8	120.0	2.2	2.3
Consumer Price Index-Canada	1992=100	127.3	124.6	122.3	2.2	1.9
Consumer Price Index-USA*	1982-84=100	195.3	188.9	184.0	3.4	2.7
Industry Price Index-Canada*	1997=100	111.2	109.5	106.2	1.6	3.1
LABOUR						
Unemployment Rate-BC	Percent	5.9	7.2	8.0		
Unemployment Rate-Canada	Percent	6.8	7.2	7.6		
Unemployment Rate-USA*	Percent	5.1	5.5	6.0		
Unemployed-BC	Thousand	132.9	159.2	176.0	-16.5	-9.5
Employed-BC	Thousand	2,130.5	2,062.7	2,014.7	3.3	2.4
Labour Force-BC	Thousand	2,263.4	2,221.9	2,190.7	1.9	1.4
Participation Rate-BC	Percent	65.6	65.5	65.6		
Total EI Benefits Paid-BC*	$Million	1,650.3	1,764.0	1,831.3	-6.4	-3.7
Regular EI Benefits Paid-BC*	$Million	837.4	960.4	1,059.5	-12.8	-9.4
Average Weekly Wage Rate-BC	Dollars	704.49	686.74	683.68	2.6	0.4
Wages and Salaries-BC*	$Million	73,916.0	69,365.6	65,310.1	6.6	6.2
Fixed-Weighted Earnings Index-BC*	1996=100	115.9	112.9	108.5	2.7	4.1
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	41,012.9	39,879.3	36,030.9	2.8	10.7
Market Pulp Shipments-Tonnes*	Thousand	4,932	4,724	4,762	4.4	-0.8
Newsprint Shipments-Tonnes*	Thousand	1,076	1,135	1,186	-5.2	-4.3
Other Paper Shipments-Tonnes*	Thousand	1,877	1,841	1,733	2.0	6.2
Coal-Tonnes*	Thousand	25,571.0	27,082.0	23,061.0	-5.6	17.4
Oil-Cubic Metres*	Thousand	1,750.8	2,019.0	2,168.2	-13.3	-6.9
Natural Gas-Cubic Metres*	Million	32,037.0	31,201.3	29,483.4	2.7	5.8
Electric Power Generated*	GW.h	67,627.3	60,495.6	63,050.9	11.8	-4.1
Solid Mineral Shipments	$Million	4,862.9	3,674.5	2,926.5	32.3	25.6
Farm Cash Receipts**	$Million	2,410.9	2,415.0	2,285.2	-0.2	5.7
Manufacturing Shipments*	$Million	43,009.7	42,343.6	37,243.1	1.6	13.7
GENERAL						
Housing Starts-All Areas BC**	Thousand	34.7	32.9	26.2	5.3	25.8
Housing Starts-USA	Thousand	2,064.7	1,955.8	1,847.7	5.6	5.9
Building Permits-BC*	$Million	10,191.1	7,938.7	6,394.2	28.4	24.2
Residential-BC*	$Million	6,979.0	5,868.9	4,514.2	18.9	30.0
Non-Residential-BC*	$Million	3,212.1	2,069.8	1,880.1	55.2	10.1
Retail Sales (NAICS)-BC*	$Million	49,914.5	47,216.6	44,421.0	5.7	6.3
Wholesale Trade (NAICS)-BC*	$Million	47,277.0	43,521.2	39,658.9	8.6	9.7
Tourism Room Revenues-BC*	$Thousand	1,690.1	1,592.2	1,486.7	6.2	7.1
Business Bankruptcies-BC	Number	786	921	1,002	-14.7	-8.1
Consumer Bankruptcies-BC	Number	8,173	8,378	9,385	-2.4	-10.7
Incorporations-BC*	Number	28,593	25,428	23,243	12.4	9.4
Exports Originating in BC*	$Million	34,275.2	30,977.6	28,189.3	10.6	9.9
Capital Expenditures-BC	$Million	32,256.7	29,664.7	25,434.1	8.7	16.6
Population-BC (as of July 1)	Thousand	4,254,522	4,201,867	4,154,591	1.3	1.1

July 27, 2006

* derived from monthly figures

**derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT ($ MILLIONS)

	YEAR				PERCENT CHANGE		
	2005	2004	2003	2002	04-05	03-04	02-03
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	168,011	157,241	145,948	138,252	6.8	7.7	5.6
Real Gross Domestic Product (chained 1997 $)	144,028	139,205	133,888	130,324	3.5	4.0	2.7
CANADA							
Gross Domestic Product at Market Prices	1,368,726	1,290,185	1,216,191	1,154,204	6.1	6.1	5.4
Real GDP at Market Prices (chained 1997 $)	1,157,446	1,124,428	1,092,388	1,070,789	2.9	2.9	2.0
UNITED STATES (Billions $US) **							
Gross Domestic Product at Market Prices	11,734.3	10,971.2	10,469.6	10,128.0	7.0	4.8	3.4
Real GDP at Market Prices (chained 2000 $US)	10,755.7	10,320.6	10,048.8	9,890.7	4.2	2.7	1.6

*** US Department of Commerce (actual)*

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

	July 26/06	July 19/06	June 28/06	July 27/05
	PERCENT PER ANNUM			
CANADA				
Prime Business Rate	6.00	6.00	6.00	4.25
Bank Rate	4.50	4.50	4.50	2.75
Long-Term Government Bond Rate (over 10 yrs)		4.51	5.69	4.31
Conventional Mortgages-1 Year		6.60	6.60	4.90
-5 Years		6.95	6.95	5.80
UNITED STATES				
Prime Rate	8.25	8.25	8.00	6.25
EXCHANGE RATES (average noon)	CANADIAN $			
US Dollar	1.1378	1.1353	1.1245	1.2342
Japanese Yen	0.0097	0.0097	0.0097	0.0110
British Pound	2.1019	2.0863	2.0419	2.1520
Euro	1.4368	1.4258	1.4091	1.4801

FORECASTS

	2006			2007		
	REAL GDP % CHG	UNEMP RATE %	CPI % CHG	REAL GDP % CHG	UNEMP RATE %	CPI % CHG
BRITISH COLUMBIA						
B.C. Government (Feb.21/06 Budget & Fiscal Plan)	3.3	5.7	2.2	3.1	5.6	2.1
Credit Union Central BC (January 2006)	3.7	5.0	2.1	3.7	4.4	2.2
Scotia Economics (July 27, 2006)	4.0	4.6	na	3.6	4.2	na
TD Bank (February 17, 2006)	3.5	6.0	1.4	3.2	5.5	1.7
CIBC WM Economics (February 9, 2006)	4.1	5.2	1.7	3.4	4.8	2.0
Global Insight (April 2006)	3.7	5.3	1.7	3.1	5.2	1.9
CANADA						
TD Bank (June 14, 2006)	3.0	6.4	1.8	2.7	6.6	1.2
CIBC WM Economics (March 6, 2006)	2.9	6.6	1.9	2.4	6.8	2.3
Global Insight (April 2006)	3.2	6.4	1.7	2.6	6.4	1.5
UNITED STATES						
TD Bank (June 14, 2006)	3.2	4.9	3.6	2.6	5.5	2.1
CIBC WM Economics (March 6, 2006)	3.3	5.0	2.8	2.5	5.2	2.9
Global Insight (April 2006)	3.3	4.7	2.6	2.6	4.9	1.6